



ENERGY ASSURANCE DAILY

Friday, December 01, 2006

Major Developments

Winter Storm Knocks Out Power to Hundreds of Thousands of Customers in Midwest

According to outage information on Ameren UE's website, 503,978 customers remained without power as of 2:51 p.m. CST this afternoon, down from a peak of 517,200 customers without power at 11:00 a.m. CST. Electric companies across the Midwest also reported major outages in their service territories. High winds and freezing rain coated trees and downed power lines throughout the affected areas. Ameren said that crews have been working all night and into today to restore power. Today, Aquila crews assisted Ameren in restoring power. There is no estimate for when full restoration will be complete. Traders and refiners reported that Midwest refineries were unaffected by the storm.

Midwest Winter Storm November 30 –December 1			
Electric Power Producers	State(s)	Peak	Current
AEP Kentucky Power	Kentucky	10,300	Outage Page
AEP Ohio Power	Ohio	50,800	Outage Page
Allegheny Power	Pennsylvania	10,000	
Ameren UE	Missouri, Illinois	517,200	Outage Page
ComEd	Illinois	29,500	
Consumers Energy	Michigan	3,400	
Duke Energy	Indiana	21,700	Outage Page
Duke Energy	Ohio	4,000	
First Energy	Ohio	60,000	Outage Page
First Energy	Pennsylvania	20,000	Outage Page
TOTAL*		726,900	

*Total outages only represent electric power generators listed in this table.

Sources: http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-12-01T171004Z_01_N01328206_RTRIDST_0_USA-OUTAGES-MISSOURI-UPDATE-1.XML

<http://www.nbc5.com/news/10439865/detail.html>

<http://www.newsnet5.com/news/10443157/detail.html>

http://www.pittsburghlive.com/x/pittsburghtrib/s_482311.html

http://www.firstenergycorp.com/outages/outages.do?state_code=PA

<http://www.lsj.com/apps/pbcs.dll/article?AID=/20061201/NEWS01/612010360/1001/news>

Reuters 11:43 December 1, 2006

Electricity

Snowstorm Knocks Out Power to at Least 90,000 B.C. Hydro Customers in British Columbia November 30

The storm is the second major snowstorm to hit the province in four days. About 70,000 customers lost power during the first snowstorm on November 26-27.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7483154

Entergy's 979 MW Indian Point Nuke Unit 2 in New York Near Full Power December 1

The 979 MW nuclear unit returned to nearly full power by the morning of December 1 after being shut on Thursday morning to repair a leaky pipe.

Reuters, 10:49 December 1, 2006

AES' Alamitos Gas-Fired Unit 5 in California Shut November 30

Reuters, 11:51 December 1, 2006

Complete's 260 MW La Paloma Gas-Fired Unit 2 in California Shut November 30

Reuters, 11:51 December 1, 2006

Canadian Construction Begins on 345-kV New Brunswick-Maine Power Line

Work on the Canadian portion of the 145-mile Northeast Reliability Interconnect that will allow electricity to flow between New Brunswick and Maine was officially announced on Tuesday. Construction on the Maine portion of the line began in July. The power line is the result of collaboration between Bangor Hydro-Electric Co. and New Brunswick Power. The line is scheduled to be in service by December 2007. Presently, the Maine Electric Power Co. line is the only connection between Maine and the Maritime provinces.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7484550

Petroleum

BP Shipped Off-Spec Diesel from Los Angeles Refinery Last Week

According to Reuters' sources, BP Plc. shipped off-specification diesel from its Los Angeles refinery to two California fuel terminals late last week. The diesel did not meet stringent sulfur content standards set by the U.S. Environmental Agency and the California Air Resources Board (CARB). BP reported the problems to the CARB, which is now investigating the matter.

Reuters, 12:36 December 1, 2006

Alon Shuts SRU due to Boiler Tube Leak at Big Spring, Texas Refinery November 30

According to filing with Texas regulators, Alon USA Inc. shut a sulfur recovery unit at its 75,000 b/d refinery in Big Spring, Texas to repair a boiler tube leak. A company spokesman said that repairs would last until this morning and would have no material impact to fuel production.

Bloomberg news, 10:30 December 1, 2006

ConocoPhillips Has 'Process Upset' at Borger, Texas Refinery November 30

According to a filing with Texas regulators, ConocoPhillips had a "process upset" in Area B of its 146,000 b/d refinery in Borger, Texas. The upset continued until early Friday morning.

Reuters, 07:38 December 1, 2006

U.S. Energy Secretary Worried About Impact of Possible OPEC Output Cut on Home Heating Oil Supplies

U.S. Energy Secretary Samuel Bodman says that he is worried about the impact of a second OPEC oil cut on U.S. home heating oil supplies. Earlier today, Saudi Arabia's oil minister Ali Naimi signaled that OPEC may decide on a second oil output cut at its meeting in Cairo on December 14. In October, OPEC members agreed to cut oil production by 1.2 million b/d. Some analysts doubt that OPEC producers have adhered to the October reduction. Bodman said that he was not displeased with current available oil supplies.

Bloomberg News, 12:46 December 1, 2006

Basra Loading Terminal Shutdown Will Curb Iraq Oil Exports

The Basra Oil Terminal will be shut for four days for repairs between December 16 and December 20. The loading suspension is expected to significantly cut Iraqi oil exports for December. Basra has four berths that can export up to 1.7 million b/d but has been loading slightly below that level this year due to frequent delays caused by bad weather and other operational problems. On November 29, loadings resumed at Iraq's other oil export terminal, the Khor al-Amaya Oil Terminal, after a six month suspension to repair damage from sabotage and rusty parts. During the Basra outage, Iraq will rely on the Khor al-Amaya terminal, which can export up to 1 million b/d.

Oil Daily, December 1, 2006

Natural Gas

Wellhead Freeze-Offs Cut Canadian Natural Gas Production - Analysts

According to industry analysts, a severe cold snap has frozen about 10 percent of Canadian natural gas production over the past two weeks. <http://intelligencepress.com/>

Kinder Morgan Lifts Force Majeure on Texas Natural Gas Pipeline Segment

The company has lifted force majeure on a segment of its natural gas pipeline in Texas following repairs to a compressor station. The company declared force majeure on the line yesterday.

Reuters, 10:27 December 1, 2006

Other News

Update: Siren Tests Successful at Indian Point Nuclear Plant in New York

All 156 emergency sirens around Entergy's Indian Point nuclear power plant in New York sounded on schedule during a test. The new system is expected to be in place by the end of January. Siren tests earlier this year resulted in partial failures of the sirens. In a September test, all but two of the sirens sounded.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7482436

Thieves Steal 6,000 Lbs of Copper and Aluminum Wire From Mississippi Power Substation

The material, along with an 18-foot trailer were found missing on November 26 from the substation, located in Hattiesburg. Investigators say the thieves broke into the gate around the substation to gain access to the wire. Cooper wire thefts at power facilities have increased dramatically due to soaring copper prices.

<http://www.wlox.com/Global/story.asp?S=5746686&nav=6DJI>

Federal Judge Rules That Oil & Gas Explorers Cannot Build Roads in Designated National Forests

A U.S. District judge has ruled that companies holding more than 300 leases that permit oil and gas exploration in national forests cannot construct roads to access those areas. The order follows a September ruling by the same judge that reinstated the 2001 "Roadless Rule" that prohibits logging, mining, and other development in designated national forests in 38 states. In the recent ruling, the judge ruled that the ban should apply to all actions taken since the Roadless Rule was issued in January 2001. The Bush administration has argued that it should only apply to actions taken after the September ruling. The affected oil and gas leases lie on more than 340,000 acres in seven Western states.

http://www.mercurynews.com/mld/mercurynews/news/local/states/california/northern_california/16134675.htm

Energy Prices

U.S. Oil and Gas Prices			
December 1, 2006			
	Today	Week Ago*	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	63.43	56.79	58.46
NATURAL GAS Henry Hub \$/Million Btu	8.42	7.57	12.58

Source: Reuters

*The Energy Assurance Daily was not produced on November 24. The "Week Ago" price is from November 22.

Energy Notes

Storm Knocks Out Power to 10,000 Austin Energy Customers in Texas December 1

http://keyetv.com/topstories/local_story_334084915.html

EOG's CEO Says Barnett Shale Natural Gas Field in Texas Much Bigger Than Estimated

<http://intelligencepress.com>

Coal Price Rise May Not Be Enough to Avert Some Mine Failures – Massey Energy Exec

Reuters, 16:39 November 30, 2006

DOE Lists 11 Possible Nuclear Reprocessing Sites in South-Central Washington State's Hanford Nuclear Reservation

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7482480

PNM's Turbine Power Station in West Las Vegas, Nevada to Stay Open Until 2012, Despite PSC Plans to Close it Next August

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7482597

Local Commissioners Approve Zoning Request for Proposed Coal-fired Power Plant in Montana

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7482892

U.S. Oil Lease Official May Have Misled Congress, U.S. Congressman Says

Bloomberg News, 00:16 December 1, 2006

Azerbaijan May Cut or Stop Oil Exports Via Russia if Russia Cuts Gas Supplies to Baku

Reuters, 14:15 December 1, 2006

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov